

**Submission  
No 73**

**INQUIRY INTO THE CONTINUED PUBLIC OWNERSHIP  
OF SNOWY HYDRO LIMITED**

Organisation:

Name: Mr Angel John Gallard

Telephone:

Date Received: 26/06/2006

---

Theme:

Summary

**From:**  
**To:** <snowyhydro@parliament.nsw.gov.au>  
**Date:** 26/06/2006 9:34 am  
**Subject:** Select Committee into Snowy Hydro

To Rev The Hon Dr Gordon Moyes MLC

Please find attached submission, re; the Snowy Hydro Corporation public ownership inquiry.

Yours respectfully

A J Gallard

25th June, 2006

Revd The Hon Dr Gordon Moyes MLC  
Chairperson  
Select Committee on the Continued Public Ownership of Snowy Hydro Limited  
Legislative Council  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

INQUIRY INTO THE CONTINUED PUBLIC OWNERSHIP OF  
SNOWY HYDRO LIMITED.

Dear Revd The Hon Dr Gordon Moyes MLC,

I wish to provide the following submission to the Select Committee in reference to the inquiry into the continued public ownership of Snowy Hydro Limited.

I have dealt with this submission in terms of the guidelines and the terms of reference. They are as follows:

*1 (a) whether the proposed sale of the Snowy Hydro Limited is in the public interest.*

The proposed sale of Snowy Hydro is not in any way, in the public interest. Snowy Hydro Corporation belongs to the People of Australia. It was built and paid for by Australian taxes and by the lives of the one hundred plus who died during the construction. Snowy Hydro is a heritage memorial and belongs to all Australians. We are already shareholders in the future of this organisation.

Snowy Hydro belongs to all Australians and all must be consulted by way of a referendum before any decision about the future of Snowy Hydro Corporation Ltd can be prescribed.

*1 (b) the need for the sale of the Snowy Hydro Limited,*

There is no need to sell Snowy Hydro. It is a well demonstrated profitable business which after profit and maintenance pays a handsome return to three governments. Snowy Hydro has been and still is growing at a steady rate. They do not utilise their full generating capacity in anyone year. The generators are only fired up when highly profitable peak demands require the rest of the time this massive infrastructure stands idle.

Why would any organisation want any extra production proposals to increase infrastructure that requires maintenance when they don't use all of the current capacity of their plant.

*1 (c) impacts on the short and long term financial position of the Government including impacts on revenue and recurrent costs.*

The Commonwealth, Victorian and New South Wales Governments all receive a substantial return from the current Snowy Hydro Corp operating at a fraction of its full capacity. The whole infrastructure has been continually maintained and upgraded as new technology comes available and according to a former Snowy Strategic Engineer functions very efficiently on a budget of \$40 million per annum give or take a bit. The Governments do not have to spend money on Snowy Hydro or its infrastructure, they in fact get substantial returns on behalf of us the shareholders after maintenance costs are deducted.

**(Note: We the people own the Snowy Hydro Corporation - we paid for it through our taxes and we do not have to buy it all over again.)**

The Parliamentarians are not empowered to act without the **Will Of The People**. It has been demonstrated by the **People of Australia** that they do not want Snowy Hydro privatised. What the people of Australia have expressed is to see **water** used wisely as it is the most precious resource in this country.

Water conservation on a sustained yield basis is what it is all about, electricity generation is a by-product and a bonus.

*1 (d) potential compensation payments to affected parties.*

Mr Malcolm Turnbull, Special Minister for Water on ABC Radio South East regional news after the Water Conference in Sydney recently said that money was no object in the management of water. The Commonwealth had adequate reserves to cover that. Therefore there should be no problems in the handling of compensation payments for the 7% top-up for environmental flows, unless they allow Snowy Hydro to wantonly do what they like under the guise of clauses in the Snowy Hydro Act such as the outlandish compensation claims cited by Terry Charlton.

There is an audited loss of 3,000 gegalitres on the western side of the divide due to poor irrigation processes and evaporation etc. If this could be saved by improved infrastructure and technology that 3,000 gegalitres would be able to provide the 300 gegalitres/year environmental flows for the Snowy River and leave 2,700 gegalitres for environmental flows in the Murray-Murrumbidgee rivers.

The savings that could be achieved here would go a long way to helping both irrigators and environmental flows on both sides of the divide.

As Mr Malcolm Turnbull has stated money is not the problem. As Commonwealth Minister for Water perhaps he can help solve this wastage of our most precious resource.

*1 (e) intended use offunds raised from privatisation.*

There will be no funds from privatisation because privatisation is not an option as demonstrated by the **will of the people**.

*1 (f) control of water regulation.*

The control of water regulation was supposed to have been sorted out by The Heads of Agreement and The Snowy Water Licence within the Options provided by the Snowy Water Enquiry, and the implementation of the Snowy Hydro Corporation Act 1997 No.99 which came into operation on the 28th June 2002.

The first of the environmental flows occurred on the 28th August 2002 when the Mowambah/ Cobbin Creek aqueducts were decommissioned with great fanfare by politicians from the three governments. Quotes like "we have given new life back to the Snowy" were used to demonstrate the great works they had apparently done.

In actual fact the very control mechanisms enacted in the legislation were not put in place according to the Act and as a result of this, the values of the intent in the Heads of Agreement, the Snowy River Water Licence and The Snowy Water Enquiry have all been compromised and have for four years been purposely ignored by the Government of New South Wales.

Had the full implementation of the Act taken place we would now have a much healthier Snowy River. Instead it has gone backwards, with the life force waters of its new upper montane head - the Moonbah River flow was misappropriated by Snowy Hydro according to their interpretation of the Snowy Water Licence. This was done without due reference to the advisings that should have been available had the Snowy Scientific Committee been in existence. The corporate body required under the Act - The Snowy Scientific Committee still does not exist. As a result of this the NSW Water Ministerial Corporation do not have the data to advise Snowy Hydro on environmental releases according to the Act.

*1 (g) future location of Snowy Hydro Limited headquarters.*

The future location of Snowy Hydro Corporation Ltd must remain in Cooma for the benefit and welfare of communities of the Snowy Mountains and current employees of Snowy Hydro.

*1 (h) job security for the current workforce.*

The Snowy Hydro Corporation Acts - Commonwealth, NSW and Victorian have covered the job security of the current workforce and should remain in place.

*1 (i) access to lands controlled by Snowy Hydro Ltd*

Access to lands controlled by Snowy Hydro Corp Ltd should remain as they have been in the past.

*1 (j) removal of disused Hydro infrastructure in National Parks.*

All unused Snowy Hydro infrastructure should be removed from the Kosciuszko National Park sites. The clean up should be planned and staged in conjunction with the Plan of Management recently released by the National Parks & Wildlife Service.

*1 (k) limits to foreign and majority share ownership.*

Snowy Hydro Corporation should remain in government hands. It belongs to the people of Australia. We are already the shareholders. The governments hold our shares in **trust** for all Australians and they are getting good returns. Our shares are not for sale. They are certainly not for sale to foreign investors or majority investors.

*1 (l) impacts on tourism and local communities in the region.*

The Snowy Hydro Scheme is a major contribution to tourism and thereby the economy of the Snowy Mountains region. The proposed privatisation of Snowy Hydro was cause for considerable concern with regards to the future directions of tourism in the region.

Despite reassurances by the NSW Government and its Ministers the people of the region were uneasy about those reassurances. Given the fact that the Government was in breach of its own Act and had already demonstrated an arrogant contempt for the local communities by the way in which they have handled the implementation of the Snowy Hydro Corporation Act in that they have failed to create according to that Act the Snowy Scientific Committee. This must set alarm bells ringing in the minds of the people as to the reason as to why this happened. This failure does not reinforce the integrity of their assurances with regard to tourist access to the lakes and waterways that are so vital to tourism to the Snowy Mountains region.

*1 (m) continuation of support of community events and activities by Snowy Hydro Limited, and 1 (n) impacts on local councils.*

We have already witnessed veiled threats coming from the Snowy Hydro Corporation and we are not surprised at their attitude and it shows the typical "carrot and stick" mentality of those who believe that money is power. We can manage without their carrots and we hope that our Shire Councils will not succumb to the inducements they offer, for they are morally and spiritually bankrupt.

*1 (o) heritage issues.*

The whole of the Snowy Scheme is a part of our National Heritage and should be kept as such - **enshrined in legislation.**

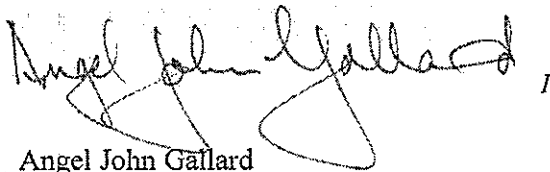
*1 (P) land release issues, and 1 (q) any other related matters.*

Lands owned by Snowy Hydro Corporation should be released into the hands of the appropriate Shire for the benefit of the future residents and visitors to our beautiful Snowy Mountains.

I trust that these comments according to the terms of reference are helpful in bringing about a practical solution to the problems generated by the proposed privatisation of Snowy Hydro Corporation Ltd.

It has been demonstrated by public opinion across Australia that the people of Australia do not wish to see Snowy Hydro privatised.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Angel John Gallard". The signature is written in a cursive style with a large, sweeping flourish at the end. A small vertical line is visible to the right of the signature.

Angel John Gallard